

EXHIBIT 1-A

MANAGEMENT PLAN TEMPLATE

This template is a guide for HOME Grantees to use in creating a plan for project start-up, initial grant management, and ongoing project management. The purpose of the management plan is to create a written strategy for administering the grant funds, to ensure knowledge of and compliance with HOME requirements and regulations, and to ensure the continuity of program administration regardless of changes in the organization's personnel. Grantees will complete Parts I, II, and III of the management plan.

PART I – GRANT ADMINISTRATION AND PROJECT START-UP

This part presents the steps all Grantees must take to receive and manage HOME funds, regardless of the type of program.

PROGRAM DESCRIPTION
<ul style="list-style-type: none">• Provide a brief description of the program including the type of program, the number of units/homes to be impacted, and the target population of the program.• Describe the program area (boundaries).• Define the type(s) of HOME subsidy to be provided to project(s).• What is the amount of subsidy for the project per unit? (See Chapter 7, II.A.; Exhibit 7-A)• Whom does the program target? Describe how HOME income targeting requirements will be met.• What is the period of long-term affordability? How will it be enforced—through deed restrictions, covenants running with the land or another HOME-approved mechanism? (See Chapter 7, II.C.; Exhibit 7-A)• Is the project mixed use? mixed income? Describe how the mix meets HOME requirements.
CERTIFICATIONS, PLANS, POLICIES, AND RESOLUTIONS
<ul style="list-style-type: none">• Provide the dates on which the following resolutions/policies were passed:<ul style="list-style-type: none">❑ Hatch Act Resolution (<i>applies to local governments only</i>);❑ Equal Employment Opportunity (EEO)/Nondiscrimination Policy;❑ Drug Free Workplace Policy;❑ Fair Housing Resolution (see Exhibit 5-A); and❑ Section 504 and ADA Compliance Procedures (See Exhibit 5-C)• Where are Equal Employment Opportunity Posters displayed in the Grantee's workplace? (See Exhibit 5-B)• Provide a copy of a combined resolution to accept the HOME grant, authorize all funding and appropriate funding to the program (See Exhibit 1-D)
ORGANIZATIONAL STRUCTURE OF GRANT MANAGEMENT TEAM
<ul style="list-style-type: none">• How will the grant be managed?• What responsibilities will your governing body (e.g., city council, board of county commissioners, nonprofit board of directors, etc.) have in managing the grant?• Who is your Attorney and what are his/her responsibilities?

<ul style="list-style-type: none"> Who will be responsible for Set-up and Payment Request Forms, Progress and Close-out Reports, and other grant management and project activities?
<ul style="list-style-type: none"> If you have a Housing Advisory Board, who are the members, how is the Board structured, and what are the Board's duties and responsibilities? Include names, titles and phone numbers for the above persons.
<p style="text-align: center;">FINANCIAL MANAGEMENT (See Chapter 3 for more information)</p>
<ul style="list-style-type: none"> How will the HOME funds be organized and managed? What accounts will be used to receive and disburse HOME funds? What accounting and management system will be used? (Most local governments use the Budgetary Accounting and Reporting System [BARS]) What procedures will be followed for reviewing and approving expenditures, requesting funds, receiving HOME funds and processing payments? Who will be responsible for maintaining the required financial records and processing of HOME funds? Include the name(s), title(s) and phone number(s) of key person(s). What role does the governing body (e.g., city council, board of county commissioners, nonprofit board of directors, etc.) play in approving expenditures for the HOME Program?
<p style="text-align: center;">PROJECT IMPLEMENTATION SCHEDULE</p>
<ul style="list-style-type: none"> Provide a narrative description to accompany the Implementation Schedule from the Uniform Application. What activities were performed before submittal of application? What are the major activities planned for the proposed project? How will you ensure a contract with MDOC has been signed within 4 months after the grant is awarded; funds are released within 6 months; and all funds are spent within 24 months?
<p style="text-align: center;">NON-DISCRIMINATION / EQUAL HOUSING AND EMPLOYMENT / CIVIL RIGHTS RULES (See Chapter 5 for more information)</p>
<ul style="list-style-type: none"> Who will be responsible for monitoring/enforcing non-discrimination, equal housing and civil rights rules? How will the rules be applied to the project? Specifically address the following requirements: <ul style="list-style-type: none"> <input type="checkbox"/> Affirmatively further Fair Housing <input type="checkbox"/> Avoid discrimination in advertising and leasing <input type="checkbox"/> Ensure accessibility to programs as defined by Section 504 of the Rehabilitation Act of 1973 and the Fair Housing Act Who will be responsible for monitoring/enforcing Equal Employment Opportunity (EEO) rules? Include name(s), title(s), and phone number(s). How will the rules be applied to the project? How will minorities, women, and their businesses be included in project implementation?
<p style="text-align: center;">ENVIRONMENTAL REQUIREMENTS (See Chapter 2 for more information)</p>
<p>Environmental Review</p> <ul style="list-style-type: none"> Describe the process you will use to ensure environmental requirements are met. Who will the Environmental Certifying Officer (ECO) be? Is that person an elected official? If not, has an official <u>resolution</u> been passed designating that person, or their position (preferred designation), as the ECO? Who will conduct the environmental review? Who will produce the Environmental Review Record (ERR)?

<ul style="list-style-type: none"> Who will guarantee compliance with Historic Preservation requirements? Do you have a programmatic agreement with the State Historic Preservation Office (SHPO)?
Flood Plain (See Chapter 2, Exhibits 2-J, 2-K, & 2-L) <ul style="list-style-type: none"> Address flood plain requirements. Is HOME-assisted property within the 100-year flood plain, as identified by the Federal Emergency Management Agency? If it is (or is anticipated to be), how will you ensure requirements are met?
Lead-Based Paint (See Chapter 2, III.A.) <ul style="list-style-type: none"> Describe how you will comply with the Lead-Based Poisoning Prevention Act and implementing the HUD lead-based paint (LBP) regulations for properties built before January 1, 1978. Identify who is responsible for notification and disclosure requirements, distributing appropriate brochures to all tenants or homeowners, disclosing any known presence of lead-based paint to prospective homebuyers, and providing notice of evaluation or hazard reduction. If applicable, identify who will be responsible for reducing/abating lead-based paint hazards, and provide a brief summary of how these activities will be accomplished. Identify who is responsible for responding to a child with an elevated blood lead level.
OTHER REQUIREMENTS
Conflict of Interest <ul style="list-style-type: none"> Who will be responsible for identifying and resolving conflicts of interest? How will any potential conflicts of interest in project participation and implementation be identified and addressed? (See Chapter 7, II.G.)
Written Agreements <ul style="list-style-type: none"> If the project owner is/will be different from the Grantee, does the Grantee have a written, <u>legally binding</u> Agreement with the project owner? The Agreement may be contingent upon the receipt of HOME funds.

☐ **Are you doing SINGLE-FAMILY HOMEBUYER ASSISTANCE?**
If YES, complete Sections A and B.

☐ **Are you doing SINGLE-FAMILY HOMEOWNER REHABILITATION?**
If YES, complete Sections A and C.

☐ **Are you doing SINGLE-FAMILY NEW CONSTRUCTION?**
If YES, complete Sections A and D.

☐ **Are you doing MULTI-FAMILY NEW CONSTRUCTION?**
If YES, complete Section E.

☐ **Are you doing MULTI-FAMILY REHABILITATION?**
If YES, complete Section F.

☐ **Are you doing MULTI-FAMILY ACQUISITION?**
If YES, complete Section G.

☐ **Are you doing TENANT BASED RENTAL ASSISTANCE (TBRA)?**
If YES, complete Section H.

Section A

SINGLE-FAMILY (See also HOMEBUYER ASSISTANCE, HOMEOWNER REHABILITATION or NEW CONSTRUCTION, as appropriate.)
Marketing Strategy <ul style="list-style-type: none"> Describe your target population including who will use the program, where they will come from, and the size of the market. Will the program target a particular category of participants, i.e., first time homebuyers, seniors, disabled persons, public housing residents, or existing renters? Describe present and future marketing activities for your program. Describe the methods you intend to use to reach your target market. Will you market your program to lenders and realtors? Will you use ads in local papers, hold an open house, or distribute flyers at social service agencies and/or employers? Where/how else will you advertise? How else will you spread the word about the program? Describe your Affirmative Fair Marketing Plan and how non-discrimination and equal housing rules will be applied to the project in order to further Fair Housing, avoid discrimination in advertising and ensure accessibility to programs as defined by Section 504 of the Rehabilitation Act of 1973 and the Fair Housing Act. What methods will you use to reach the minority population? Where will applications be available? How will completed applications be submitted?
Homebuyer/Homeowner Intake and Selection <ul style="list-style-type: none"> Describe the procedures and mechanisms for participant intake and selection, including how your organization will prioritize participants in your program. Will it be on a first-come first-served basis? Is it based on inquiry date or receipt of completed application? Are applications received on a rolling basis or are there deadlines? Is priority given to lower income households or to households in specific, targeted areas and/or populations? What are the income restrictions? What is the income target? How do you define income? (HOME staff suggests using IRS adjusted gross income for single-family programs.) How will you verify the family income? What is your grievance procedure for denied applicants?
Management of the Program <ul style="list-style-type: none"> Describe how you will maintain accurate files and records for each applicant, including names, address and the terms of the agreement. What are the terms of repayment of the HOME funds? Will loans be deferred? Will they earn interest? Will they be forgiven after a certain time? Is the type of assistance based upon income and ability to pay? How will these be determined? Describe the method your organization will use to determine the amount of HOME funds each participant will receive. Provide an explicit description as to how down payment, closing cost and rehabilitation amounts (as applicable) will be determined. A properly recorded promissory note or deed restriction stipulating the terms of repayment of the HOME funds is essential. What enforcement instrument will be used? How will you ensure the enforcement instruments are recorded in a timely manner?
Recapture or Resale Policy (only <u>one</u> policy may be used)

- Will the resale or recapture option be used to ensure affordability? Will equity sharing be used to prevent participants from making windfall profits at time of sale?
- If choosing **resale**, how will the seller find another low-income person to purchase the home? Will the Grantee assist in that process? How will a fair return to the seller be ensured? How will the Grantee ensure the home will be affordable to a new low-income homebuyer? Will the Grantee maintain a right of first refusal? Note: If HOME funds are used solely for new construction, the resale option must be used. However, in light of HUD's interpretation of regulations regarding repayment of grant funds during a foreclosure, the Grantee should always maintain the right of first refusal.
- If choosing **recapture**, how will a fair return to the seller be ensured? What is the policy if the sales price does not sufficiently cover any outstanding mortgage(s) and/or provide a fair return to the seller?
- If using **equity sharing** with either the resale or the recapture option, how will the equity be divided between the seller and Grantee?

Note: Grantees concerned about the possibility of repaying funds in the case of foreclosure may wish to adopt recapture provisions that base the recapture amount on the net proceeds available from the sale rather than the entire amount of the HOME investment.

Note: The Program Income Plan must describe in detail how the Grantee will manage any recaptured funds or equity received by the Grantee. (See **Part III**)

Section B

SINGLE-FAMILY HOMEBUYER ASSISTANCE

Homebuyer Intake and Selection

- Describe the buyer's responsibility with respect to home search and negotiation. Will it be the buyer's responsibility to find an eligible property with respect to the program guidelines and negotiate a price for said property, which is below FHA 203(b) guidelines?
- Describe the buyer's responsibility with respect to loan application and completion. Will it be the buyer's responsibility to complete and execute all loan applications, agreements and other required documents? Will you assist? Is there a time frame for completing applications?
- Does the homebuyer have to be a first-time homebuyer? If so, how is that defined?

Homebuyer Workshops and Counseling

- Provide a detailed description of the homebuyer education and counseling services including an overview and explanation of homebuyer counseling programs, the presenters, the number of course hours and frequency of the course.
- What is your plan for providing credit repair and budget management for those households not yet able to qualify for mortgage financing? Identify how these services will be provided, including linkages with other agencies.
- Will you provide on-going counseling services during the period of affordability? If so, describe. Do you have a policy on whether any foreclosure prevention training will be provided in the event of a default? If so, describe.

Program Implementation

- Describe how you will ensure that applicable state or local property standards and code requirements are met.
- What is the maximum loan-to-value on all project debt? Is there a minimum loan-to-value to ensure that applicants are not over-subsidized?
- Is there a minimum homebuyer contribution, either a dollar amount or a percent of sales price? How will you ensure applicants make the maximum contribution possible, while using the HOME funds to fill the gap? How will you ensure the applicant purchases appropriate, modest housing?
- How will you ensure the settlement statements reflect HOME funds contributed to the purchase?
- How will you ensure requirements of the Uniform Relocation Act are met, which includes ensuring the seller is informed of the property's appraised value?

Lender Participation

- Describe the nature and form of involvement by lenders, such as private financial institutions and/or credit unions. Will the lender refer the buyer to your program?
- What types of first mortgage financing are anticipated to be used in conjunction with the HOME subsidy? Examples of first mortgage financing are conventional loans (including Fannie Mae and Freddie MAC affordable lending products), FHA, Rural Development, the Montana Board of Housing or any other specialized loan portfolio products. How will you conduct lender outreach and education so they are informed about your programs? How will you coordinate your program with existing first mortgage programs?

- What, if any, concessions have you been able to negotiate with private lenders to reduce some of the closing costs by lowering closing costs, origination fees, and points as well as arranging for bulk rates for appraisal, title and legal fees?

Section C

SINGLE-FAMILY HOMEOWNER REHABILITATION

Contractor Policy and Issues

- Describe the role of your organization and the homeowner in the rehabilitation process, particularly as it relates to work write-ups, soliciting bids, selecting a contractor and arranging for contractor walk-through.
- Will you assist the homeowner in obtaining a contractor?
- How will you ensure there is an adequate supply of qualified contractors available to do the work in a timely manner?
- Describe your organization's pre-qualification procedure for selecting and qualifying contractors and subcontractors to participate in your program.
- Describe your organization's pre-qualification procedure for selecting and qualifying contractors and subcontractors who are certified and licensed in lead-based paint treatment and removal.
- Describe the steps your organization has taken and/or will take to encourage minority and woman-owned contractor participation.
- Will the construction contract be between the Grantee and contractor or between the homeowner and contractor?
- Who will be responsible for obtaining a lien waiver from the contractor at the time of final payment?
- How will you ensure the homeowner is satisfied with the completed work? Will the homeowner authorize final payment only after the homeowner is satisfied?

Program Implementation

- Describe eligible improvements and expenses.
- How will you ensure that minimum property standards are met and that the property is free of safety and health hazards within six months?
- In addition to minimum property standards, how will you ensure that the assisted housing is decent, safe and sanitary (e.g., Section 8 Housing Quality Standards) and conforms to local zoning codes?
- If property is to be rehabilitated after transfer of ownership, who will be responsible for ensuring property standards requirements are met? How will you ensure that the housing is free of defects before occupancy or not later than 6 months after transfer and that the housing meets property standards no later than two years after transfer of ownership?
- For homes built prior to January 1, 1978 that do not serve elderly residents, identify who is responsible for complying with the Lead-Based Paint Poisoning Prevention Act and implementing the HUD lead-based paint regulations. Address the requirements in **Exhibit 2-S**.

Section D

SINGLE-FAMILY NEW CONSTRUCTION

Project Description

- Describe your project including the number of units to be built, average lot size, house size and style. Describe property amenities including open space, playgrounds or community buildings. Identify the area of the city or county in which the property is located, the surrounding land uses and its relationship to schools, commercial, recreation and employment centers.

Homebuyer Intake and Selection

- Describe how the development of this project will be managed and how the closing of home sales will be conducted. Include the timeline for screening and qualifying homebuyers, marketing and all critical activities to the point of selling the home.
- Is a deposit, lot reservation fee, or other upfront fee required? Is it refundable if they do not complete the sale? Under what circumstances are any fees nonrefundable?
- Do applicants have to be pre-qualified prior to applying? How long do applicants have to complete the purchase?

Homebuyer Workshops and Counseling

- Provide a detailed description of the homebuyer education and counseling services including an overview and explanation of homebuyer counseling programs, the presenters, the number of course hours and frequency of the course.
- What is your plan for providing credit repair and budget management for those households not yet able to qualify for mortgage financing? Identify how these services will be provided, including linkages with other agencies.
- Will you provide on-going counseling services during the period of affordability or a policy on whether any foreclosure prevention training will be provided in the event of a default?

Program Implementation

- What is the targeted sales price for each home? How does that compare to area median income? Will you also provide down payment or closing cost assistance? What ratio will you employ to ensure that you are not over subsidizing a borrower?

Financial Management of the Program

- What is the structure and detail of the project financing? What are the special conditions/requirements of each source of financing? Describe how you will ensure compliance with HOME and other project financing requirements.

Section E

MULTI-FAMILY NEW CONSTRUCTION

Property and Accessibility Standards

- How will the appropriate property and accessibility standards be met? Who will be responsible for ensuring compliance?

Construction Requirements

- Who will be responsible for the following? Identify person(s), including names, titles and phone numbers.
 - Preparing any needed RFPs and evaluation criteria
 - Preparing contract documents
 - Requesting HOME review of appropriate documents
 - Advertising RFP and bid solicitations, including letters to minority and women-owned business enterprises
 - Conducting debarment check on all contractors
 - Obtaining Architect's Accessibility and Property Standards Certification
 - Preparing bid package
 - Clearing plans through city zoning/planning office
 - Conducting bid opening
 - Conducting pre-construction conference
 - Issuing Notice to Proceed
 - Conducting performance monitoring
 - Reviewing and approving change orders
 - Establishing procedure for contractor to submit payment requests
 - Obtaining Certificate of Completion
 - Obtaining lien waivers from contractor and subcontractors
 - Obtaining Certificate of Occupancy

Davis-Bacon Requirements

- If the construction contract includes 12 or more HOME-assisted units, who will be designated as the Labor Standards Officer to ensure compliance with Davis-Bacon Labor Standards? Include name(s), title(s) and phone number(s).

Section F

MULTI-FAMILY REHABILITATION

Property and Accessibility Standards

- How will the appropriate property and accessibility standards be met? Who will be responsible for ensuring compliance?
- If housing is to be rehabilitated after transfer of ownership interest, who will be responsible for:
 - ❑ Ensuring, before transfer of ownership interest, that:
 - the housing be inspected for defects that pose a danger to health
 - information be acquired on work needed to cure defects and meet property standards, including a time line;
 - ❑ Ensuring the housing is free of defects before occupancy or not later than 6 months after transfer;
 - ❑ Ensuring the housing meets property standards no later than two years after transfer of ownership interest.

Davis-Bacon Requirements

- If the rehabilitation contract includes 12 or more HOME-assisted units, who will be designated as the Labor Standards Officer to ensure compliance with Davis-Bacon Labor Standards? Include name(s), title(s) and phone number(s).

Relocation Requirements

- If acquisition involves either temporary or permanent displacement of persons (families, individuals, businesses, nonprofit organizations and farms), who will be responsible for ensuring the provisions of the Uniform Relocation Act (such as tenant notification) are met? Include name(s), title(s) and phone number(s).
- Provide a signed copy of the Relocation Plan and associated documents. (See **Chapter 6, Part II.**)

Section G

MULTI-FAMILY ACQUISITION
Property Standards <ul style="list-style-type: none">• If the HOME-assisted project is acquisition only, how will the appropriate property standards be met? Who will be responsible for ensuring compliance?
Relocation Requirements (See Chapter 6, Part II) <ul style="list-style-type: none">• If acquisition involves either temporary or permanent displacement of persons (families, individuals, businesses, nonprofit organizations and farms), who will be responsible for ensuring the provisions of the Uniform Relocation Act (such as tenant notification) are met? Include name(s), title(s) and phone number(s).
Voluntary Acquisition Requirements (See Chapter 6) <ul style="list-style-type: none">• If voluntary acquisition, the Grantee must:<ul style="list-style-type: none">❑ Demonstrate that the acquiring party clearly advised owner that if an amicable agreement could not be reached, the property <u>would not</u> (<i>for local governments</i>), or <u>could not</u> (<i>for CHDOs</i>), be acquired by eminent domain.❑ Demonstrate that no specific site or property was designated for acquisition.❑ Demonstrate that property to be acquired was not part of an intended planned or designated project area where all or substantially all of the property within the area is to be acquired within specific time limits.❑ Demonstrate that the owner was informed of estimated Fair Market Value (FMV) of property.• Provide a signed copy of the Acquisition, Displacement and Relocation Plan and associated documents.

Section H

TENANT-BASED RENTAL ASSISTANCE (TBRA)
Program Description <ul style="list-style-type: none"> Describe your TBRA Program. Why is TBRA needed? What community need does it meet?
Marketing and Tenant Outreach <ul style="list-style-type: none"> Describe the number of available rental units in the targeted service area. The description should delineate the number of available apartments, duplexes, single-family homes, and any other. Submit support documentation such as assessments or surveys from local Realtors, the local Chamber of Commerce, and landlords. Describe your target population including who will use the program, where they will come from, and the size of the market. Describe present and future marketing activities for your program. Describe the methods you intend to use to reach your target market. Will you use ads in local papers, hold an open house, or distribute flyers at social service agencies and/or employers? Where/how else will you advertise? How else will you spread the word about the program? Describe your Affirmative Fair Marketing Plan and how non-discrimination and equal housing rules will be applied to the project in order to further Fair Housing, avoid discrimination in advertising and ensure accessibility to programs as defined by Section 504 of the Rehabilitation Act of 1973 and the Fair Housing Act. What methods will you use to reach the minority population? Where will applications be available and how will completed applications be submitted?
Tenant Selection Criteria <ul style="list-style-type: none"> Describe the procedures for screening, intake and orientation of potential program participants. Describe your waiting list development process. Will you maintain your own waiting list or coordinate with the Section 8 waiting list? How often must tenants renew their TBRA application? How will changes to household income or composition be documented? What happens if the applicant does not renew his/her application within the defined period of time? Can they reapply after being removed from the waiting list? Under what conditions can the waiting list be closed? What is the income target for your program? How will you ensure 90% of participants have incomes below 60% of AMI at any given time? How will you determine income eligibility? For TBRA, the income definition must be the Part 5 definition (Section 8 annual gross income). Will the family need to recertify after a period of time on the waiting list? What are your verification requirements? Will you use third party verifications from the tenants' employer, and/or review documents such as benefit award letters, pay stubs, bank statements? Will you accept personal certification for self-employed persons? Once TBRA has been granted, how long will the applicant have to locate an acceptable unit? If the applicant is unsuccessful, can an extension be granted? If so, for how long? Describe how TBRA recipients will be briefed on their rights and responsibilities. Will the briefing be conducted individually or in a group setting? Identify the key points to be covered in the briefing. Describe your briefing for owners who participate in the TBRA program. Identify the key points to be covered in this briefing.

- Will you provide tenants with services or access to services and training services beyond the TBRA to move them toward self-sufficiency?

Program Administration and Monitoring

- Describe how you will coordinate your program efforts with other existing programs, including Section 8, to ensure that tenants receive the appropriate level of assistance and to avoid a tenant being subsidized for the same type of assistance but through different programs?
- Describe how you calculate the maximum subsidy amount and the minimum subsidy amount for either security deposit assistance or direct rental assistance. For rental assistance, what utility allowance will be used? For security deposit assistance, will the funds be provided as a grant or loan to the tenant?
- How will you ensure that HOME guidelines, including rent reasonableness, housing conditions, size requirement and lease approval are met? How will you monitor HQS after initial occupancy? How often will units be inspected? Who will perform these inspections?
- What are the occupancy guidelines to be used to determine the size of the unit for which the household qualifies? This is the unit size used to compute the tenant's subsidy.
- How will you monitor the eligibility of the participating households? Under what conditions can assistance be terminated? Describe the process for terminating the assistance.
- If Lead-Based Paint was found upon inspecting the potential rental units, but not abated on the property, describe your plan for tenant notification and disclosure, annual monitoring and maintenance plan to ensure it is intact and does not pose a threat to occupants (i.e., not peeling and chipping). Describe your process for responding to a child with an elevated blood lead level.
- How will you ensure that owners receive prompt and accurate payments?

Security Deposits (Optional)

- Indicate that the amount given for the deposit will be less than two months rent.
- Can a tenant receive both security deposit assistance plus rental assistance?
- Can the tenant use the security deposit in lieu of paying the last months rent?
- Is the deposit retrieved by the grantee or is it returned to the tenant upon vacating the unit? If the deposit is returned to the tenant, is there a required length of time a tenant must live in a housing unit?
- Is there a plan for repayment of the security deposit by the tenant over a period of time? (Ownership of the funds may encourage the tenant to maintain the unit in good condition.)
- If the security deposit is paid back over time or retrieved upon vacancy, how will this be tracked? (The funds will be **program income**; see **Part III**.)

NOTE: If the funds are provided as a grant to the tenant with no repayment or retrieval process, a justification must be made to show that this procedure is a good use of limited public funds.

PART II – ON-GOING PROJECT MANAGEMENT AND COMPLIANCE PLAN

Single-Family Housing

HOMEBUYER ASSISTANCE, HOMEOWNER REHABILITATION AND NEW CONSTRUCTION
<ul style="list-style-type: none">• Describe how you will track the HOME-assisted homes and their status in the program.• How will you verify annually that the property continues to be owner-occupied and used as the owner's principal residence?• How will you verify the home has not been sold during the previous 12 months?• If the home has been sold, how will you ensure proper resale or recapture procedures are followed?

Multi-Family Housing

PROJECT DESCRIPTION
<ul style="list-style-type: none">• Provide a brief description of the proposed activity including the type of project or facility, the number of housing units to be provided and the target population of the project.• Describe the physical characteristics of the proposed site, the project design and how it meets the needs of the targeted population.• Describe the proximity of basic services to the project site, such as police, fire, emergency, medical, public transportation and social services. Indicate the location of the project in relation to commercial services, employment centers, transportation services, schools, parks and recreation, and social services.• Describe the length of commitment to the target population and the continued affordability of the assisted housing in terms of monthly rent and tenant income.
GENERAL ADMINISTRATION
<ul style="list-style-type: none">• Describe the organizational structure of your management team for on-going management of the housing. What are the lines of authority, responsibility and accountability within the management entity.• Outline the respective responsibilities of the owner and the managing agent. Are these responsibilities clearly defined so as not to overlap? Are they clearly assigned? Are all basic responsibilities covered? What limits – managerial and financial – are placed upon the agent's authority?• Is there an on-site manager? Is there a management office on-site? What are the office hours?• What are the anticipated staffing needs of the development? What are the duties and responsibilities of each person? Is housing provided as part of the compensation package? Is continued occupancy conditioned upon employment? What wages/salary shall apply to each position?• What regular hours of work will be observed by staff? How will management services be provided while key staff are on vacation?

PROPERTY MANAGEMENT STRUCTURE
<ul style="list-style-type: none"> Describe your property management structure and philosophy. Will your organization self-manage the project, retain a professional management company or create a hybrid structure in which the organization provides the on-site services and the property management is responsible for the day-to-day operations of the project.
MARKETING STRATEGY
<ul style="list-style-type: none"> Identify the market area to be served by the project. Describe the surrounding market including population characteristics, occupancy and market trends. Indicate what other rental projects would be considered competition to this development. Describe your target population including who will live in the project, where they will come from, and the size of the market. Include information detailing existing housing and economic conditions. Summarize or cite evidence from public sources to document the need. Describe how the property will be marketed to attract a sufficient number of persons subject to the income restrictions of this property. What methods will you use to reach your target market? For example, will you run ads in local papers, distribute flyers at social service agencies or employers, hold an open house, etc.? What marketing techniques will be used to inform the minority population of the availability of housing? Describe your Affirmative Fair Marketing Plan and how non-discrimination and equal housing rules will be applied to the project in order to further Fair Housing, avoid discrimination in advertising and ensure accessibility to programs as defined by Section 504 of the Rehabilitation Act of 1973 and the Fair Housing Act.
RESIDENT SELECTION
<ul style="list-style-type: none"> Describe your application process or waiting list development. Explain how information and rental applications are to be made available to the public prior to the opening of the development. What are the income restrictions? How do you define income? (If a definition other than the Part 5 (Section 8) definition is used, HOME staff approval is required.) How will you verify the family income? Specifically, what third parties will you contact to verify income, and/or what source documents will you utilize? How often will either source documents be verified or third parties be contacted? What are the tenant selection criteria to be used? Is there a resident selection committee? Is this selection subject to review? If so, under what conditions and by whom? What is the appeal process for rejected applications? What is the policy that governs the assignment of family size and composition to the various types of dwelling units in the development? What are the minimum and maximum occupancy standards? What application fees or earnest money deposits will be required of applicants? How will these fees or deposits be applied? Will you require references from previous landlord/property manager, employer or personal references? Will you accept alternative forms of credit for persons without a credit history such as timely medical, utility or rental payments? Will you do a criminal background check? How will the rental staff be instructed in local, state and federal fair housing laws, the Civil Rights Act of 1968, ADA and Section 504 (if applicable)?

RENT STRUCTURE/LEASE AGREEMENT
<ul style="list-style-type: none"> • What are the rents for each type of unit? Do they vary according to income? For example, are the rents fixed or adjusted to reflect a percentage (less than or equal to 30 percent) of tenants' income. What is your utility allowance and how was it determined? Describe how you will ensure that at least twenty percent of the HOME-assisted units have low HOME rents while the remaining HOME-assisted units have high HOME rents. • If your project contains both HOME-assisted and non-HOME-assisted units, specify whether HOME-assisted units will be <u>fixed or floating</u> and the size of the units.
<ul style="list-style-type: none"> • What are your rent collection policies? When and how can a tenant pay his/her rent? Will you accept cash or money orders? By when must rent be paid? Are there late fees? When do they commence? • Describe your security/pet/cleaning or other deposit requirements? Under what conditions will they be refunded? Is any portion nonrefundable? How do you assess damage to units? • What is the minimum lease period? A lease period less than one year requires mutual agreement between the owner and the tenant. • Describe your move-in/move-out policies. How much notice must a tenant provide? What orientation materials/services will be provided to acquaint tenants with the project? • Describe your process for determining rent increases and informing tenants. What is the maximum percentage increase that can occur in a twelve-month period? Will increases be assessed annually or semi-annually? How will you ensure tenants receive at least a 30-day notice? • What are the resident policies? Describe property rules regarding topics such as noise, pets, overnight or extended-stay guests, parking, use of community facilities, and maintenance of the unit. • Under what conditions may a tenant be evicted or be denied lease renewal? How much notice will you provide to a tenant before eviction? • What measures will be taken to protect the confidentiality of personal data on the tenant or applicant? • How will you ensure the lease does not contain prohibited terms? (See Chapter 7.)
RENT MANAGEMENT
<ul style="list-style-type: none"> • Indicate what procedures will be used during and after rent-up to ensure that the applicable percent of the dwelling units are leased to families or individuals at appropriate income levels. • Who will be responsible for performing the income certification and recertification functions? What steps will be followed so as to ensure that recertifications are performed on schedule? • How do you address over income tenants? • How will you ensure that the project's rents comply with HOME regulations <u>in addition to</u> the requirements of other funding sources, e.g., LIHTC, RD, project-based Section 8, the FHLB, etc.?
TENANT-MANAGEMENT RELATIONS
<ul style="list-style-type: none"> • How will tenant complaints or grievances be handled? • If there is community space in the project (community room, laundry area), how will it be utilized and what rules will govern its use? Is it available to the public at large for a fee or solely for the use of the tenants?

- Will the managing agent assist the tenants, if requested, in establishing and maintaining a resident organization?
- What is the management's plan for the delivery of community/resident services within the development, if applicable?
- Are there required or optional resident services available such as laundry, housekeeping, counseling, meals, health care, education, employment services or childcare? If so, is the cost subsidized through other sources, or paid separately by tenants? Describe how the costs are paid for and/or subsidized.
- If support services are required for the target population, identify how these support services will be provided. What resources will pay for these services?

FINANCIAL MANAGEMENT OF THE PROPERTY

- What is the structure and detail of the project financing? What are the special conditions/requirements of each source of financing? Describe how you will ensure compliance with each source of funding. Discuss specifically how HOME restrictions interact with other programs such as Low Income Housing Tax Credits and/or project-based rental assistance from HUD or RD, regarding income restrictions and periods of affordability.
- Describe your accounting/bookkeeping systems. What accounting controls will be employed to protect against losses of rental income?
- Are all operating funds maintained by the management company? If not, what other entity maintains operating funds?
- How frequently will you prepare property status reports and who will review them?
- Who will prepare the annual operating budget? How is it approved?
- Describe your insurance requirements for the property and how often you will review your coverage.
- Describe type and level of security service to be provided for this development, if applicable.
- On developments/units expected to be eligible for federal tax credits, specify how the utility allowances for each unit will be determined. How often and by what means will they be updated?

PROPERTY MAINTENANCE AND REPAIR PROGRAM

- Describe the physical plant – size, number of units, standard equipment in each unit and age of the equipment including appliances, HVAC and security systems.
- An HQS inspection is required annually. How will you ensure this will be completed? Who will perform the inspection? How has that person become qualified to perform the HQS inspection? How will this inspection be coordinated with other inspections and monitoring visits so as not to unduly burden the tenant?
- What is your scheduled maintenance for systems to insure compliance with all federal, state and local requirements?
- If Lead-Based Paint was found but not abated on the property, describe your plan for tenant notification and disclosure, annual monitoring and maintenance plan to ensure it is intact and does not pose a threat to occupants (i.e., not peeling and chipping). What is your process for responding to a child with an elevated blood lead level?
- Describe your maintenance and repair procedures. How do tenants request a repair during business hours? How do they report an emergency after hours? What is your time frame for addressing routine and emergency maintenance requests? How is work quality of repairs controlled?

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| <ul style="list-style-type: none"> • How will maintenance services be provided? Is there an on-site maintenance person or are the services contracted? How often are the contracts renewed or reevaluated? • What is the policy for clearing the sidewalks and parking areas of snow or leaves? Have these been reviewed against applicable town, city or county ordinances? What is the schedule for cleaning entryways, halls and other common areas? • What are the procedures to control the purchase of equipment, supplies and repairs? What are the limitations of the property manager without owner authorization? • What procedures have been developed to inventory maintenance equipment, parts and supplies? |
| <ul style="list-style-type: none"> • What procedures will be used in inspecting dwelling units before move-in, while occupied, and before vacating the unit? How will the tenant be notified and how much notice will the tenant receive? • How will charges for tenant damages be billed and collected? by new or transferred tenants? • What is the schedule for interior and exterior painting and decorating? What procedures will be employed in preparing vacant units for new tenants? |

PART III – PROGRAM INCOME PLAN

Complete only the section applicable to your project.

SINGLE-FAMILY HOMEBUYER ASSISTANCE & HOMEOWNER REHABILITATION

Submit a Program Income Plan

- Describe the scenario that will create program income for your program.
- Describe, in detail, how you will track that program income, including the address that generated the program income. Who will be responsible for this tracking? What tools will that person utilize?
- Describe on what HOME-eligible activities the program income will be used. How will you ensure the funds are spent in a timely manner?
- Describe your plan for tracking where that income goes, the length of that period of affordability, and reporting requirements.

Note: Homebuyer assistance and homeowner rehabilitation programs conducted by a CHDO generate program income rather than CHDO proceeds because these programs are not eligible CHDO activities.

SINGLE-FAMILY NEW CONSTRUCTION

Submit a Program Income Plan or CHDO Proceeds Plan

- Describe the scenario that will create program income/CHDO proceeds for your program.
- Describe, in detail, how you will track that program income/CHDO proceeds. Who will be responsible for this tracking? What tools will that person utilize?
- Describe on what HOME-eligible activities the program income/CHDO proceeds will be used. How will you ensure the funds are spent in a timely manner?
- Describe your plan for tracking where that income/proceeds goes, the length of that period of affordability, and reporting requirements.

CHDO Proceeds

Note: After CHDO proceeds have been used and reported to the HOME Program, future reporting requirements cease.

Note: If a CHDO has developed the single-family housing, any return(s) would be CHDO proceeds.

Note: CHDO proceeds may be used for a wide range of activities.

MULTI-FAMILY HOUSING

Submit a Program Income Plan or CHDO Proceeds Plan

- Describe the scenario that will create program income/CHDO proceeds for your program.
- Describe, in detail, how you will track that program income/CHDO proceeds. Who will be responsible for this tracking? What tools will that person utilize?
- Describe on what HOME-eligible activities the program income/CHDO proceeds will be used. How will you ensure the funds are spent in a timely manner?
- Describe your plan for tracking where that income/proceeds goes, the length of that period of affordability, and reporting requirements.

CHDO Proceeds

Note: After CHDO proceeds have been used and reported to the HOME Program, future reporting requirements cease.

Note: Net rental income for a project not owned by the Grantee is not program income, but operating costs for that project. However, if the HOME funds were loaned to the project owners by the CHDO, the return and interest on the loan funds is CHDO proceeds.

Note: If a CHDO develops multi-family housing, rental income is not CHDO proceeds or program income.

Note: CHDO proceeds may be used for a wide range of activities.

TENANT BASED RENTAL ASSISTANCE (TBRA)

Submit a Program Income Plan

- TBRA will only generate program income if the TBRA program includes security deposits, and those deposits (or a portion of them) are returned to the program.
- If applicable, describe the scenario that will create program income for your program. Describe, in detail, how you will track that program income. Describe on what HOME-eligible activities the program income will be used. Describe your plan for tracking where that income goes, the length of that period of affordability, and reporting requirements.